



Fact Sheet 24 – First Level Control

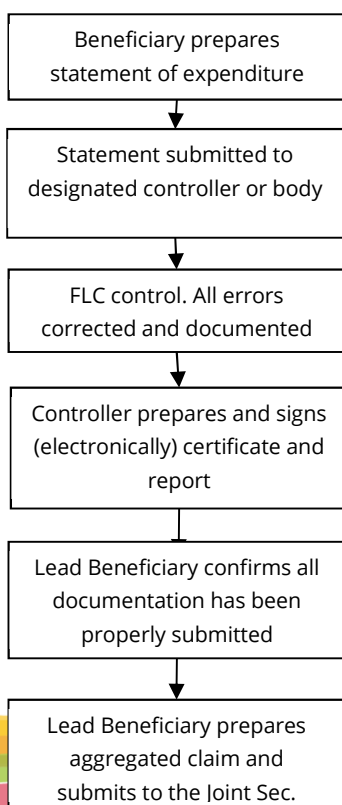
	Valid from	Valid to	Main changes
Version 3	05.10.17		Adding reference to 'First Level Control Requirements' document
Version 2	03.05.17	04.10.17	Clarified wordings and stressed the need to complete designation before claiming any funds
Version 1	27.04.15	02.05.17	

Core message: All projects and all beneficiaries are subject to First Level Control (FLC). An FLC must be designated by the relevant national authorities in order to carry out control activities for a project. The designation procedures vary in the different countries, so please consult the programme manual for specific information regarding each country. **All beneficiaries in a project must complete the designation procedure before any expenditure can be**

Background

All project beneficiaries must appoint a First Level Controller (FLC) right from the start of the project. The purpose of the first level control is to carry out management verifications in line with Article 125(4)(a) of Regulation No 1303/2013 and Article 23(4) of Regulation 1299/2013. All first level controllers must be independent and designated by the national authorities in each beneficiary country. This happens by way of a designation procedure, which is briefly described in

this fact sheet. In practise the designation is carried within the Online Monitoring System (OMS).



Automated notifications informing the subsequent functions

How the first level control process is organized

The first level control process starts at beneficiary level, where the individual beneficiary prepares a statement of expenditure. This can happen twice a year. If a beneficiary chooses not to claim, this must be explained as described in Fact Sheet no 22 on reporting.

When the beneficiary has completed the statement of expenditure, the statement is forwarded to the designated First Level Controller or FLC body. It is up



to the designated controller or FLC body to decide what accounting evidence is needed for the first level control process in line with the relevant national requirements. The control can take place either as a desk check or as an on-the-spot check or a combination of the two. The decision about this rests with the designated controller or FLC body only.

Each designated controller verifies the eligibility of expenditure incurred by the individual beneficiary and confirms this by filling in a First Level Control report and a control certificate. According to Article 23(4) of Regulation No 1299/2013, verification of expenditure can take up to three (3) months. The programme document 'First Level Control Requirements' lays out in detail the issues that should be checked.

The entire process of reporting and drawing up and signing the control certificates is handled in the Online Monitoring System (OMS).

Once the statement of expenditure and control certificates are in place for all relevant beneficiaries – including the Lead Beneficiary - in a project, the Lead Beneficiary will compile the statement into one statement covering the entire project.

The FLC of the Lead Beneficiary has one task in addition to controlling the costs of the Lead Beneficiary. The FLC of the Lead Beneficiary checks that FLC certificates are in place for all beneficiaries included in the statement of expenditure which is submitted to the Joint Secretariat. **It is important to emphasise that the FLC of the Lead Beneficiary does not re-control the expenditure incurred by other beneficiaries but only confirms that a FLC certificate is in place and that it has been signed by the designated FLC.**

For Swedish beneficiaries Tillväxtverket is the only body that can carry out FLC. In Sweden Tillväxtverket as a National Agency has been designated to carry out first level control.

Designation of First Level Controllers

Designation of First Level Controllers takes place in line with Article 23 of Regulation 1299/2013. In line with this it is the individual member state which is in charge of designating FLC's. The designation of First Level Controllers is done via the Online Monitoring System procedures, however, vary in the individual countries and both general and country specific guidance can be found in the programme manual.

It is important to note that selecting an FLC is subject to tendering in all countries except Belgium and Sweden. This means that the guidance in Fact Sheet no 11 must be observed in relation to the appointment of an FLC. For Belgium a national tender has been carried out which means that beneficiaries can choose between a number of FLC's for which tendering has already been completed. In the case of Sweden, Tillväxtverket has been designated as FLC for all Swedish beneficiaries i.e. no other options are possible for FLC.



First Level Control Seminars

First Level Control seminars will be held in all the 7 countries participating in the North Sea Region programme. The seminars are open to first level controllers and beneficiaries in approved projects. The purpose of the seminars is to ensure that all key stakeholders involved with reporting and control are fully aware of the latest regulations, programme rules and where relevant national rules.

All first level controllers should participate at these seminars at least one time. First level controllers who do not participate in any of the seminars may have their designation reassessed by the relevant national authorities. The Joint Secretariat will on a regular basis provide a list of the participants in the seminars to the designation bodies in each country in order to ensure that they are fully updated.

References

- First Level Control Requirements (<http://northsearegion.eu/media/1433/first-level-control-requirements.pdf>) containing a breakdown of the issues that should be checked by first level controllers
- Regulation (EU) No 1303/2013 of the European Parliament and the Council of 17 December 2013 laying down Common Provision Regulation, Article 125
- Regulation (EU) No 1299/2013 of the European Parliament and the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal, Article 23